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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mrs. EMERSON].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 29, 1997.

I hereby designate the Honorable JO ANN EMERSON to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member except the majority leader, the minority leader, or the minority whip limited to not to exceed 5 minutes, but in no event shall continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT] for 5 minutes.

WHAT A DIFFERENCE 4 YEARS MAKES

Mr. GUTKNECHT. Madam Speaker, what a difference 4 years has made. If we look back just 4 years ago, this Congress, under the leadership of the other team, was debating the largest tax increase in American history. They were attempting to dismantle the greatest health care system the world has ever known. Welfare reform was being ignored, and the Medicare trust fund was

moving toward bankruptcy and was being ignored as well. The Congressional Budget Office was predicting \$200 billion deficits for as far as the eye could see. What a difference 4 years has made.

Now, we have actually reformed the welfare system, and as a net result, there are 1.3 million American families who were on the welfare rolls who are now on payrolls. I have often said that the real benefit of the welfare reform system that we passed in this Congress 2 years ago was not that it will save money, but it will save people, it will save families, and it will save children from one more generation of dependency and despair.

What a difference 4 years has made. We now have agricultural reform so that farmers are starting to farm for the market rather than for the Government. What a difference 4 years has made as it relates to taxes and spending. As I say, 4 years ago the Congressional Budget Office was telling us that we would have \$200 billion deficits for as far as the eye could see, and today, I am happy to report, as a result of some tough negotiations and work with this President, we are on the verge of passing the first balanced budget since I was in high school.

That is great news for the American people; it is great news for our future. We are reducing the rate of growth in Federal spending by half. Some of us would say that Federal spending will still be going up too much under this balanced budget agreement, but the good news is, we are balancing the budget, we are keeping our promises, and we are doing what the American people have asked the Congress to do for so long.

What a difference 4 years has made. As I said earlier, 4 years ago they were debating the largest tax increase in American history. Now we are going to debate a significant amount of tax relief for working families, and they will

begin to notice that next year. Everyone who has an income of less than \$110,000 and has children is going to get tax relief, the per child tax credit. It will only be \$400 next year, but then it goes to \$500. That is real money for real families that will make a real difference in their lives, and it is about allowing them to keep more of what they earn so that they can spend and save it as they see fit.

There is real tax relief for small business people and farmers as well. As a matter of fact, perhaps the biggest benefactors of the program that was agreed to last night by the White House and congressional leaders will be small business people and farmers. And I represent an awful lot of farmers back in my district in southeastern Minnesota. For example, they will see real capital gains tax relief, over a 30-percent cut over the next 5 years. Small business people and farmers understand what capital gains are all about, because so many of them live poor and die rich.

Speaking of death, as a matter of fact, this is one other area where I am very happy with the agreement that was reached between the White House and the Congress. The exemption on death taxes will be increased immediately for small business people and farmers, from \$600,000 to \$1,300,000 per person, so that a couple, that husband and wife who are working the family farm, it is going to mean that they can pass that farm along to their kids, and that is great news for the American people as well.

One of the other things that I have worked on for many years that is good news in this tax package that has been agreed to is that we will finally have 100 percent deductibility for health care expenses for small business people and farmers. That is great news. In fact, that may be one of the most important health care reforms this Congress has passed in a long time.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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